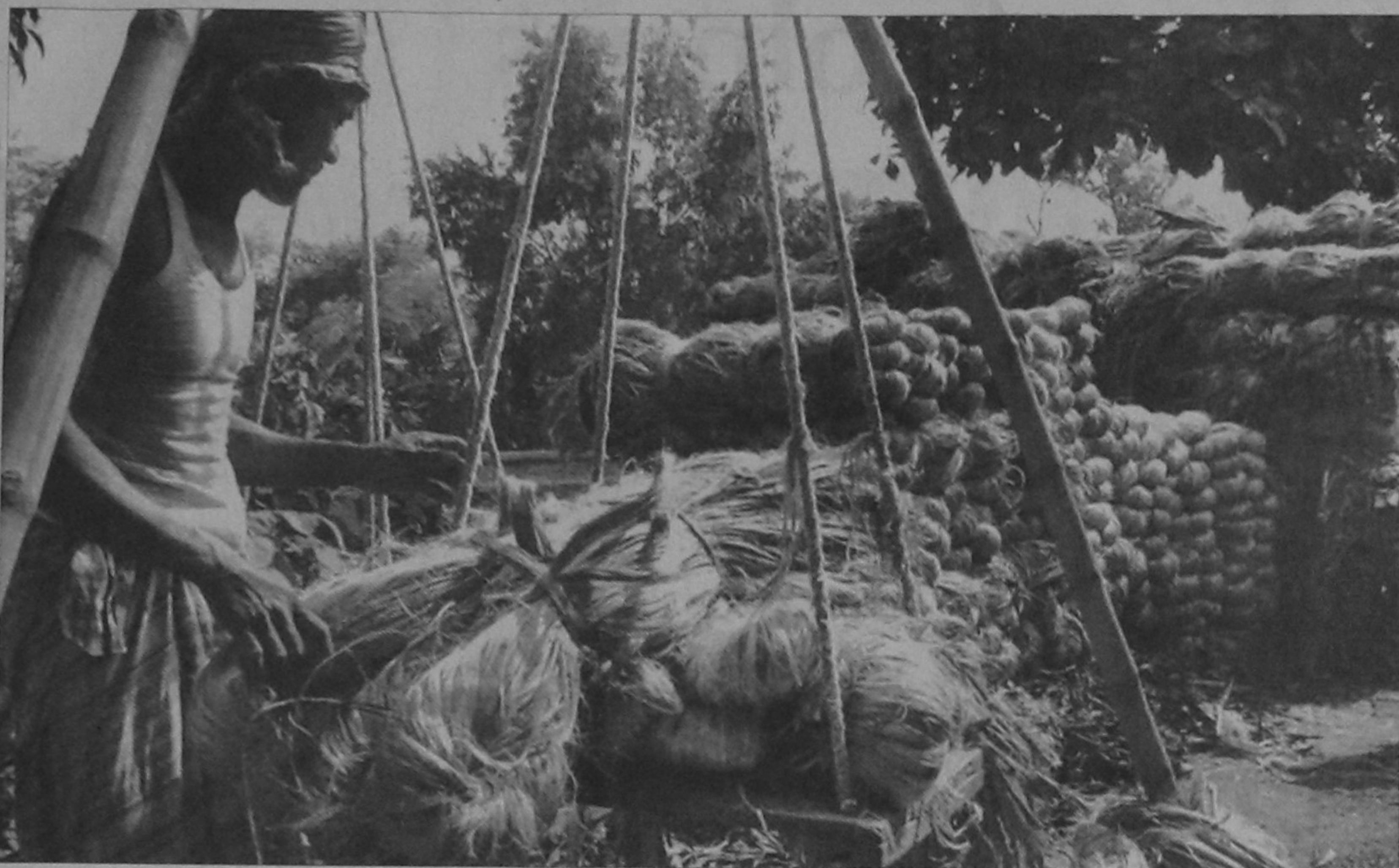


Jute prices plummet in the north



KONGKON KARMAKER, Dinajpur

The sharp fall in jute prices has frustrated the growers in four northern districts. The prices dropped by Tk 200-300 a mound in the last 15 days.

According to the Department of Agricultural Extension (DAE), 18,674 hectares of land were brought under jute cultivation in the four districts -- 4,578 hectares in Dinajpur; 6,000 hectares each in Panchagarh and Thakurgaon; 2,095 hectares in Joypurhat -- with a production target of 8,698,76 tonnes of jute.

DAE sources said farmers culti-

vated this year mainly the high yielding 'Tosha' 'Mechhta' and 'Kenaf' and other local varieties of jute and got bumper production, but a shortage of water that is needed to rot the jute affected them.

Field level agricultural staff and farmers said this year the production of the 'Tosha' variety of jute was 10 to 12 bales a hectare, while it was 7 to 9 bales a hectare for the local variety. But farmers are unhappy with the local declining market prices.

At several jute markets in the district, jute is now selling at Tk 800-

950 a mound against Tk 1200-1400 just 15 days ago, according to farmers.

Under the circumstances, jute farmers and merchants urged the government to extend marketing, conduct field-level training and research on modern cultivation methods and ensure a supply of high quality seeds.

Earlier, farmers faced problems with jute retting as ponds and ditches, the natural sources of water, were dry despite the rainy season.

There was a lack of rainfall in the area and in other parts of the coun-

try, resulting in arid water-bodies and farmlands. It was becoming next to impossible for the farmers to process the jute and they were also unable to cut jute from the field, according to the DAE.

Farmers said the price of jute in local markets earlier was fair enough, but they were facing difficulties in marketing at times when prices were high.

However, they are about to count losses, as they are unable to rot the jute, said Rigen Chandra Roy of Azimpur village under Biral upazila of Dinajpur.

NBR ICT wing soon to net tax dodgers

UNB, Dhaka

The National Board of Revenue (NBR) is going to set up an information and communication technology (ICT) wing to ensure a hassle-free environment for taxpayers and net more tax dodgers.

The decision to set up the ICT wing under the government revenue-collecting agency came from a meeting held recently.

The NBR is now preparing a summary for Finance Minister AMA Muhith's approval in this connection.

After the introduction of the wing, according to the summary, the NBR would be able to trace easily the people eligible to pay tax but not submitting their taxes returns under the universal self-assessment system.

As per the system, the deputy commissioner of tax has nothing to ask taxpayers. Even if he thinks that the taxpayers are hiding information, NBR's permission will be required to move against the particular taxpayer.

NBR sources said it would be easier for them to find out tax dodgers instantly if this ICT works properly because everything will be available at fingertips. The ICT wing will also be able to dig out any mismatch in the bill of entry. This will help the NBR detect fake VAT exemption cases also.

The system will provide instant information for any exporter regarding their application for duty 'draw-back'.

Showing fake documents by a section of dishonest exporters, in favour of their imported items, has become a normal phenomenon in the country. Duty 'draw-back' is applicable for the 100 percent export-oriented industries.

NBR sources said some businessmen provide fake documents for their income tax returns and VAT papers to pay less tax.

Bangla Trac Communications celebrates first anniversary

UNB, Dhaka

Bangla Trac Communications Ltd, a leading IGW (International Gateway) operator, observed its 1st anniversary of operation in Bangladesh.

On the occasion, a milad mahfil followed by iftar was held at its Banani office on Sunday, said a press release.

Bangla Trac Chairman Nazim E Haque, MD and CEO Tarique E Haque and other business associates and employees were present.

The company, which was awarded the license for the international gateway through a competitive auction in February 2008, started commercial operation on August 23, 2008.

News in Brief

Eurozone prices fall 0.2pc

AFP, Brussels

Consumer prices in the 16 euro countries fell by 0.2 percent in August over 12 months -- markedly smaller than the record 0.7 percent fall registered in July, EU data showed on Monday.

August preliminary figures from the official Eurostat EU data agency marked the third month of the first-ever drop in prices since the euro bloc was formed in 1999, and a remarkable U-turn for Europe's economy.

The downward trend began in June with a 0.1 percent fall in prices across the 15 nation bloc.

After hitting a record high of 4.0 percent in June and July 2008, eurozone inflation has fallen sharply as oil and other commodity prices have collapsed in the face of the global economic downturn.

The consumer credit crunch has also hit spending, and therefore prices.

Most economists expected that eurozone inflation would dip briefly into negative territory but they have ruled out a longer downward spiral in prices like the one during Japan's "lost decade" in the 1990s.

While the prospect of falling prices may delight consumers it can wreak havoc on the broader economy as households put off purchases hoping for future bargains, undermining demand and in turn investment in new production.

Japan's factory output rises for fifth month

AFP, Tokyo

Japan's factories boosted production for a fifth straight month, but wages and retail sales remained weak, data showed Monday, highlighting the rocky recovery path facing the world's number two economy.

Industrial output increased by 1.9 percent in July from June, but was down 22.9 percent compared with a year earlier, reflecting a plunge in production at Japanese manufacturers since the global economic downturn began.

Factory output is expected to rise a further 2.4 percent in August and by 3.2 percent in September, according to the manufacturers' own forecasts, the trade and industry ministry said.

The figures supported hopes that the worst of Japan's export and production slump is over.

"We believe production is likely to continue trending higher into July-September on support from exports and economic stimulus," said Barclays Capital economist Kyohei Morita.

"However, we have yet to see a self-sustaining economic recovery backed by a turnaround in capital expenditure."

Australia won't curb stimulus

AFP, Canberra

Australia on Monday said it was too early to wind back its multi-billion dollar economic stimulus measures, warning premature withdrawal would "knee-cap" recovery from the global slump.

Treasurer Wayne Swan said government stimulus measures totalling more than 70 billion dollars (60 billion US) were the sole reason Australia's economy grew 0.4 percent in the March quarter, while many other economies shrank.

Although Australia has been the only major western nation to avoid a technical recession and while its recent economic indicators have been promising, Swan said support from government stimulus was still needed.

"To withdraw the stimulus now would simply knee-cap the recovery and lead to much higher unemployment," he told reporters.

"The economic stimulus at the moment is vital to supporting business to keep customers coming through the door."

The government handed out 10.4 billion dollars to pensioners and others in December, then earmarked 42 billion in February on measures including cash bonuses to eligible taxpayers and a massive school refit programme.

Nigeria files economic charges against bank chiefs

AFP, Lagos

The Nigerian anti-graft agency on Monday filed charges against 16 bank chiefs arrested for incurring billions of dollars in bad loans for five ailing banks, a spokesman said.

"We filed fraud and economic charges against the 16 bank directors today at the federal high court in Ikoyi, Lagos," Femi Babafemi of the Economic and Financial Crimes Commission's (EFCC), told AFP.

He said the suspects would be arraigned in the court on Monday afternoon.

"We got the approval of the attorney-general of the federation to file the charges and they will be arraigned this afternoon," he said.

The heads of the five distressed banks were sacked on August 14 by the Central Bank of Nigeria (CBN) for mismanagement and running the institutions into insolvency.

The CBN said the total loan portfolio of the five banks -- Afribank, Intercontinental Bank, Union Bank, Oceanic Bank and Finbank -- stood at 2.8 trillion naira (17.8 billion dollars, 12.6 billion euros).



Tata Motors Managing Director for India PM Telang, Vice Chairman Ravi Kant and CFO C Ramakrishnan announce the company's quarterly results in Mumbai yesterday. India's leading vehicle maker reported a consolidated second-quarter net loss caused by weak sales of its British premium marques Jaguar and Land Rover.

Insurers pull down Dhaka stocks

STAR BUSINESS REPORT

Dhaka stocks fell for a fourth day, led by insurance, energy and pharmaceuticals issues.

Analysts see some factors behind the downtrend. One of the factors is, the market witnessed a dull season during Ramadan, they said.

Another reason is a number of forthcoming initial public offerings that have left an effect on the market, as investors have started offloading shares from their portfolios to bid for new shares, said a merchant banker.

The market had remained slow during Ramadan in the previous years as well, said Sheikh Mortuza Ahmed, head of merchant banking for Prime Bank.

The benchmark index of Dhaka Stock Exchange, DSE General Index, finished at 2,941.28, slipping by 24.92 points, or 0.84 percent. The broader DSE All Share Price Index slid by 20.9 points, 0.83 percent, to 2,471.2.

"Investor confidence in the market is running a bit low at the moment," Equity Partners Limited (EPL), an investment firm, said in its daily market analysis.

"As a result, we have witnessed a noticeable drop in turnover in the last few

days," EPL said.

Turnover on the premier bourse stood at Tk 420.28 crore, posting a 7 percent increase. A total of 2,21,18,931 shares traded on the DSE.

As most of the sector shares ended negative, losers beat advancers 175 to 52. Five securities remained unchanged.

Beximco topped the turnover leaders with 12,12,700 shares worth Tk 33.48 crore being traded on the bourse floor.

Apex Spinning was the biggest gainer that registered a 4.2 percent rise to Tk 955, while Modern Dyeing was the top loser with 9.68 percent decline to Tk 576.

Chittagong stocks also edged down. The CSE Selective Categories Index dropped by 31.72 points, or 0.47 percent, to 6,612.31. The CSE All Share Price Index dipped by 53.88 points, or 0.51 percent, to 10,336.38.

A total of 31,50,371 shares worth Tk 34.23 crore changed hands on the Chittagong Stock Exchange. Of the traded securities, 35 advanced, 119 declined and two remained unchanged.

Bextex topped the turnover leaders with 6,76,200 shares worth Tk 4.18 being traded on the port city bourse.

Insurance bill passes scrutiny

RASHIDUL HASAN

A parliamentary standing committee yesterday finalised the scrutiny of 'Insurance Development and Control Act-2009' with a provision of a five-member regulatory body to oversee the country's insurance companies and ensure rights of policyholders.

Insurance sector will also go under finance ministry instead of commerce ministry once the bill is passed in parliament.

AHM Mostafa Kamal, chairman of the parliamentary watchdog on finance ministry, said this to reporters after a meeting of the committee held at the Jatiya Sangsad Bhaban.

The committee chief said the bill is likely to be passed

in the upcoming session of the parliament to begin from September 7.

"Insurance is a very old business in the world but we do not have any insurance law or regulatory body in our country. And so policyholders have to suffer a lot due to absence of any regulatory body to supervise the activities of insurance companies," Mostafa Kamal, also a ruling Awami League lawmaker, said.

"The committee has examined all the aspects of the bill and finalised it for placing before parliament," he added.

In line with the Act, there will be a five-member regulatory body, which will oversee insurance business and ensure interests of the policyholders, said the committee chief.

Of the five members, one will act as chairman and the rest as members.

Persons having not less than 20 years of experience in the respective field will be appointed as chairman and members and they would work as a government regulatory body like Securities and Exchange Commission.

The policyholders will be able to file allegations against any insurance company before the regulatory body.

At present, there are 62 insurance companies in the country. Of the companies, two are state-owned and the rest are run privately.

Of the companies, 44 deal with general insurance, while 18 with life insurance. They earned Tk 4,250 crore as premium last fiscal year, the committee chief said.



Anis A Khan, managing director and chief executive officer of Mutual Trust Bank Ltd, speaks at a workshop organised by the bank for women entrepreneurs in association with SME Foundation in Dhaka recently.

Malaysian group intends to build car plant

STAR BUSINESS REPORT

The Malaysian Agate group has expressed its interest to build a car plant in joint venture with local the Walton High Tech Industries, officials of both the sides disclosed it yesterday.

The group will also import Walton-made motorbike and freeze and market those in Malaysia and some other countries.

"Bangladesh is a big market for cars and other motorised vehicles. Production cost will be relatively cheaper because of huge surplus labours," said Agate Group Managing Director Sultan Abdul Quadir at a press briefing at the Walton headquarters at Motijheel in Dhaka.

The group has also

planned to invest in the country's power sector and human resource development, Quadir said.

Agate's proposals include setting up 1,000-megawatt power plant based on coal fired facilities, medical schools and other training facilities to create qualified nurses and other technicians and imparting training to the local people with a duration ranging from three months to three years for overseas job market.

In the field of international trade, the delegation on behalf of the Malaysian government expressed its desire to export 1.5 million tonnes of palm oil to Bangladesh.

Quadir expressed his interest during a meeting with Commerce Minister

Faruk Khan at his office Sunday.

Agate Group operates duty free outlets to sell cigarettes, cosmetics, jewellery, leather goods, perfumes, fashion wear, watches, textiles and electrical goods in Malaysia. The company also operates colleges to provide courses in engineering, electronics and information technology.

It involves in software development for fingerprint identifications, general security systems and warfare related technological equipment.

The group has a coalmine in Indonesia and a 1,200-megawatt power plant in Gujarat in India.

Walton Directors Mahbulul Alam and Abul Bashir Howlader were present at the press conference.

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This is for information of all concerned that the Board of Directors of the Company in its 53rd Meeting held on August 31, 2009 has taken the following Price Sensitive decisions:

PRICE SENSITIVE INFORMATION	
Dividend recommended for the year ended 30th June 2009	Stock Dividend: @15% i.e., 3 (three) Bonus Shares for every 20 (twenty) shares held Cash Dividend: @17% i.e., Tk. 17.00 for each share held
Date & Time of the AGM	November 23, 2009 at 11:00 A.M.
Record Date for AGM	October 08, 2009
Venue of AGM	Will be published later on
Other recommendation	Increase of Authorised Capital from Tk. 50.00 crore to Tk. 200.00 crore and accordingly, amendments of Memorandum and Articles of Association of the Company, subject to approval from Bangladesh Bank.

By Order of the Board
Sd/-
S H Aslam Habib
Company Secretary

Dhaka, 31st August, 2009